

*Embassy of the Kingdom of Morocco
Washington, DC*



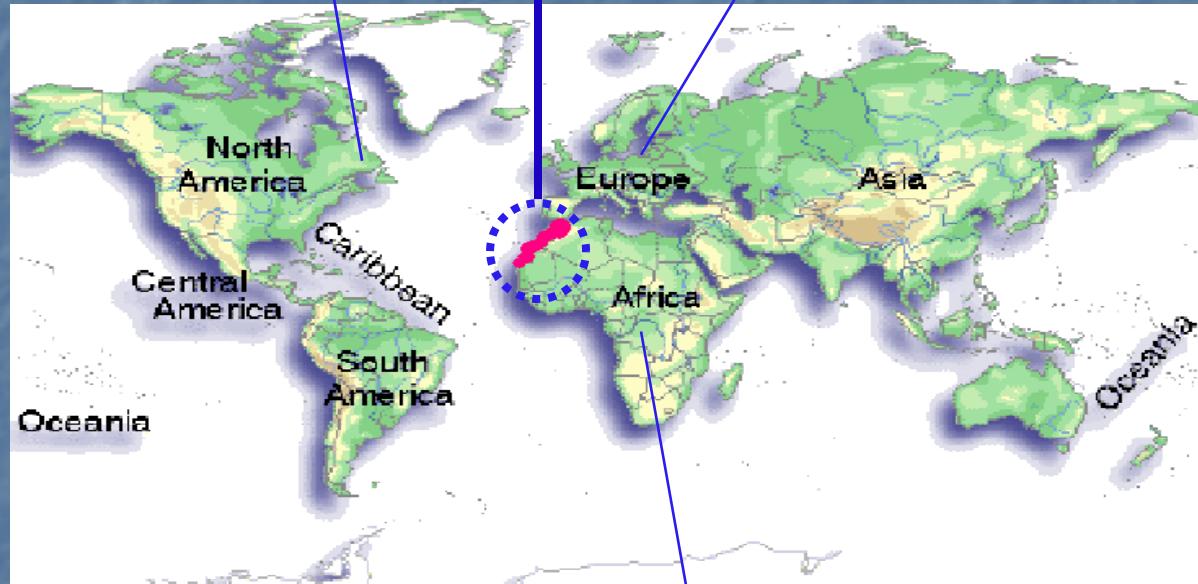
Business opportunities In Morocco

Mourad Layachi

Morocco : a platform in the crossroads of continents

The Eastern Coast,
less than 6 days far

Just In Time delivery
to Europe



Morocco : Gateway to Arabian –
Mediterranean Countries

achievements

macro-
économique



- New cycle of growth since 1998 (5% average between 2001 and 2006)
- Control of budgetary deficit (3% of the gross national product (PIB)).
- Active balance payment (2,9 pt of GDP (PIB) between 2001 and 2006)
- Inflation control (1,7%)
- Treasury's debt fall back (57% in 2006)
- Assessment of the gross investment rate : 31,6% of GDP (PIB) IN 2006

Promotion of
Human
development



- Unemployment rate decrease (9,7% in 2006)
- Improvement of schooling rate, particularly of girls in rural areas (from 62,1% in 2000 to 88,7% in 2006)
- Reinforcement of social protection (from 17% to 34% of the population)
- Promotion of social housing (100.000 per year).

What is the FTA

- Tariffs eliminated on 95 % of industrial and consumer goods
- Goods and services
- Trade but also investments

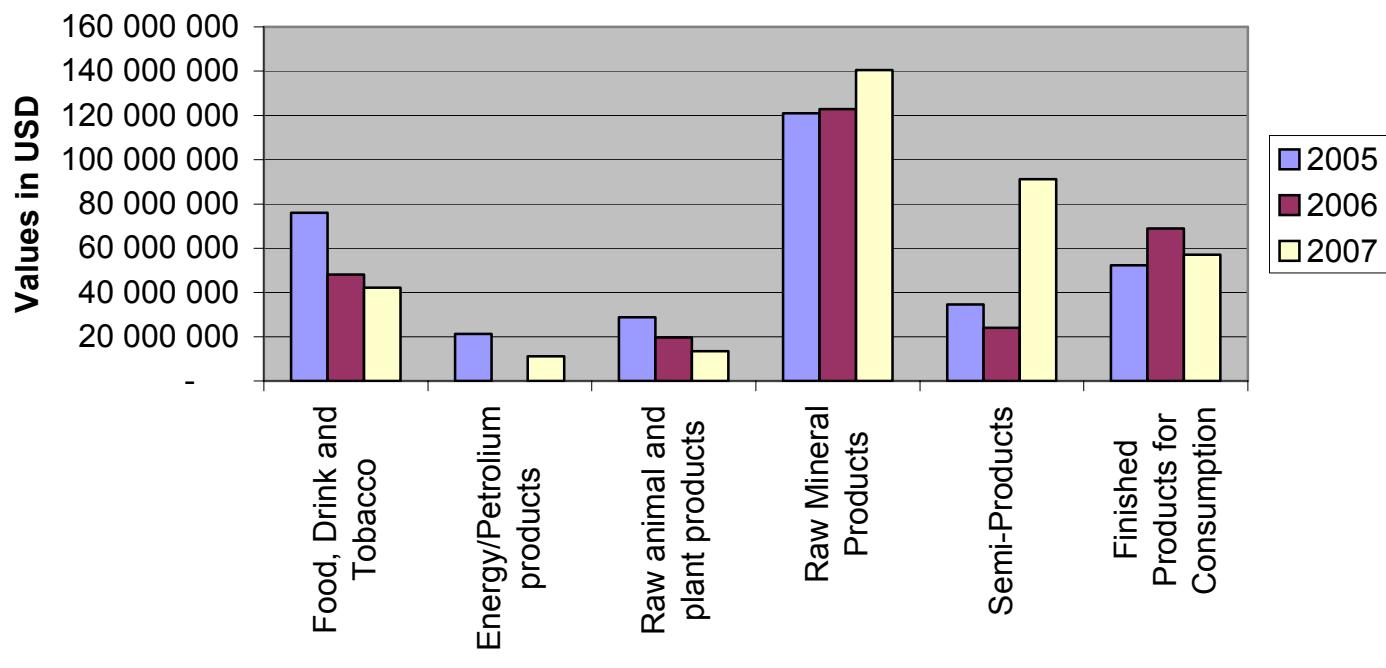
Benefits for US companies?

- Tariff elimination. Tariffs on 95 percent of two-way trade in industrial and consumer goods will be eliminated immediately.
- Services sector openings. Most U.S. service providers, including banks and insurance companies, are to be treated equally with Moroccan companies.
- Gradual agricultural access.
- Stronger protection for intellectual property rights, copyrights, patents, and trademarks. More effective enforcement of intellectual property rights.
- Customs cooperation. U.S. companies can expect faster customs processing for their goods.
- High level of legal protection for investments

Major Moroccan Exports to the US (in USD)

	2005	2006	2007
Food, Drink and Tobacco	75 963 467	48 121 067	42 265 867
Energy/Petroleum products	21 213 067	-	11 082 133
Raw animal and plant products	28 813 067	19 661 600	13 374 400
Raw Mineral Products	120 942 800	122 905 200	140 485 333
Semi-Products	34 562 267	24 027 867	91 241 600
Finished Products for Consumption	52 365 067	68 901 600	57 109 467
TOTAL GENERAL	337 980 400	300 500 667	378 331 067

Major Moroccan Exports to the US (2005-2007)

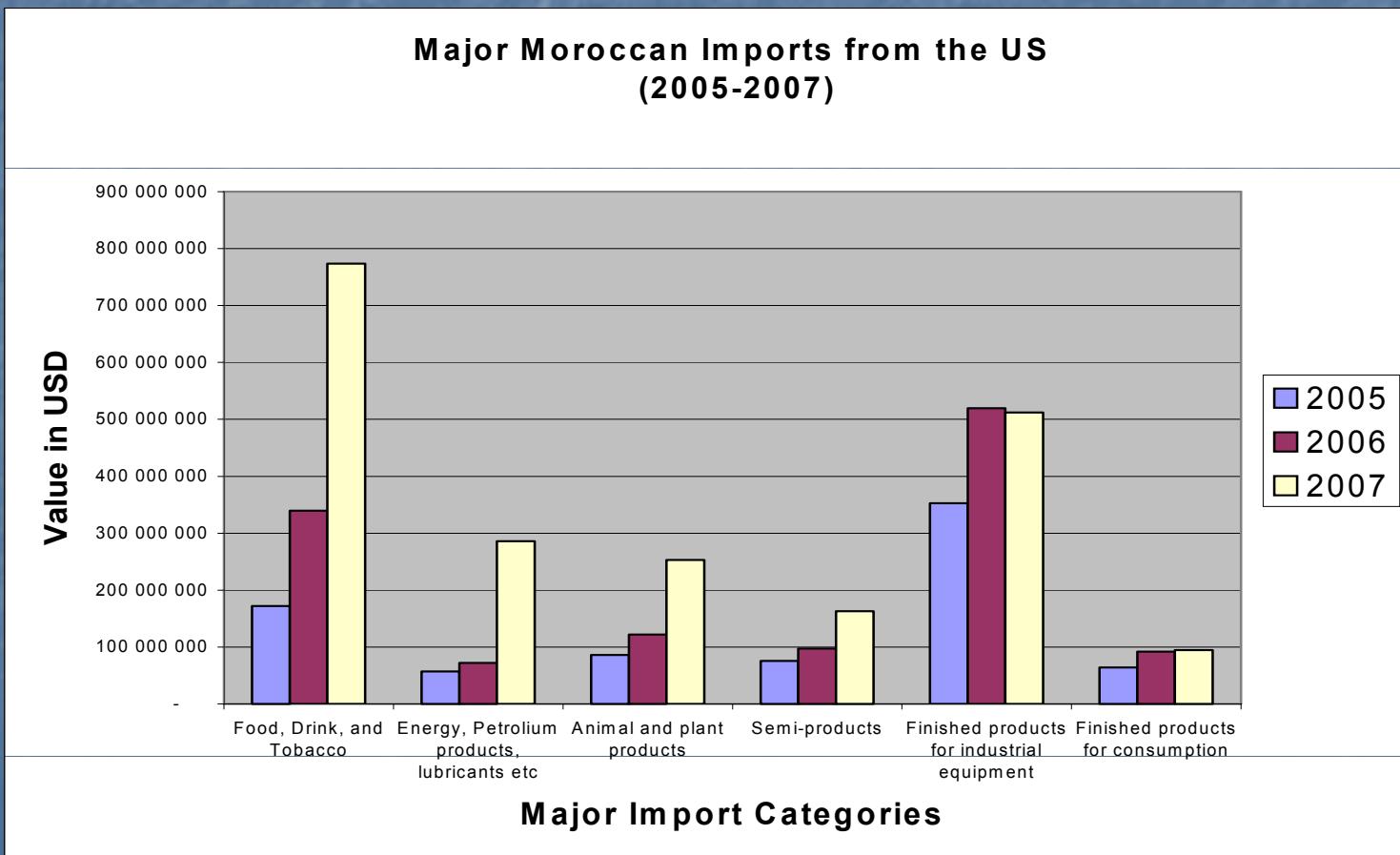


Major Moroccan Imports from the US(2005-2007)

(Value in USD)

	2005	2006	2007
Food, Drink, and Tobacco	172 069 867	339 464 000	773 376 133
Energy, Petroleum products, lubricants etc	57 224 000	71 887 200	285 986 400
Animal and plant products	85 893 733	122 088 533	252 875 867
Semi-products	75 670 133	97 185 200	162 958 667
Finished products for industrial equipment	352 564 000	519 364 800	512 029 067
Finished products for consumption	63 858 400	91 829 200	94 747 467
TOTAL	813 811 600	1 265 613 733	2 098 661 333

**Major Moroccan Imports from the US
(2005-2007)**



Opportunities: An industrial and voluntarist strategy

THE "EMERGENCE" PROGRAM

- ✓ A shared vision for the industrial sector by 2010, based upon :
 - Promotion of new trades and growth performances
 - Competitive modernization of the existing industrial capacities

- ✓ Objectives by 2015:
 - A continued growth of the GDP of more than 1,6% over the next 10 years
 - Creation of around 440,000 new direct and indirect jobs
 - A drop of 50% of the trade deficit

Emergence Program/Sectors



Offshoring and Information Technologies

Development of the Moroccan Global Know-how

- **Target branches** {
 - 3 branches(banking and insurance)
 - 6 functional branches (customer services, accounting & finance, human resources)
 - 3 IT branches : application and infrastructure management, Help desk
- **Target markets** {
 - 1- Francophone countries:
 - France
 - Belgium
 - Switzerland
 - 2- Spain

Example : DELL in Casablanca

Opportunities : Emergence program

Offshoring

(de-localization of administrative and data-processing services)

Offshoring zones and IT



- **CasaShore**
- **Rabat Technopolis**
- **TangierShore**

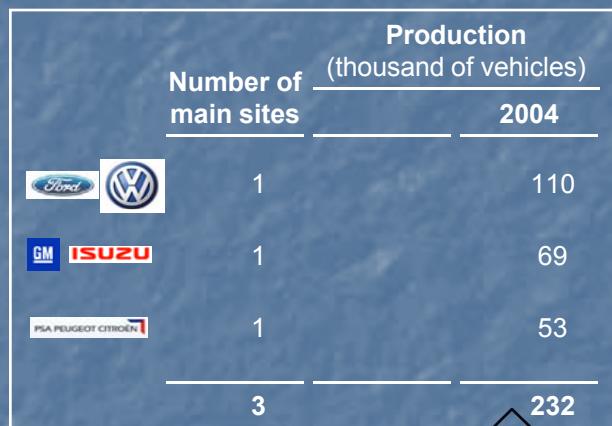


Ex. Rabat Technopolis: EDS, LOGICA, CEGEDIM
(more than 20 IT leader of outsourcing are also interesting)

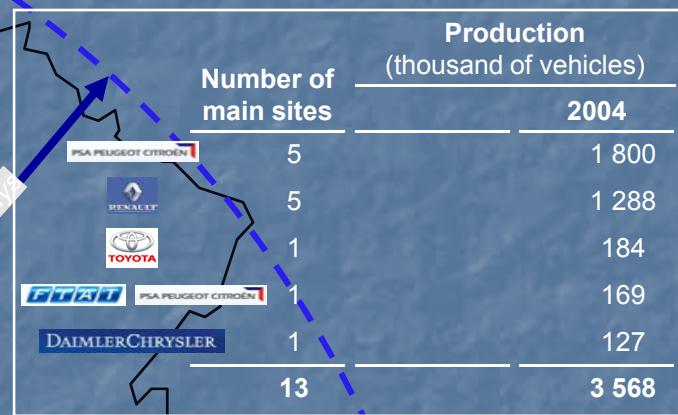
Next: Fez shore, Ifrane, Oujda and Marrakech

Automotive equipments

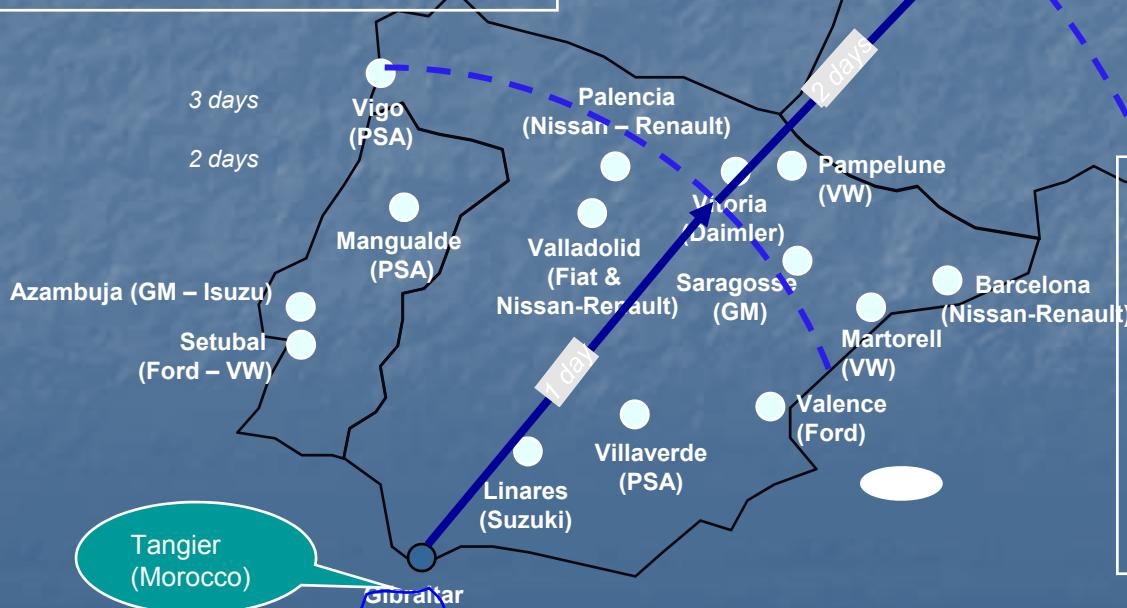
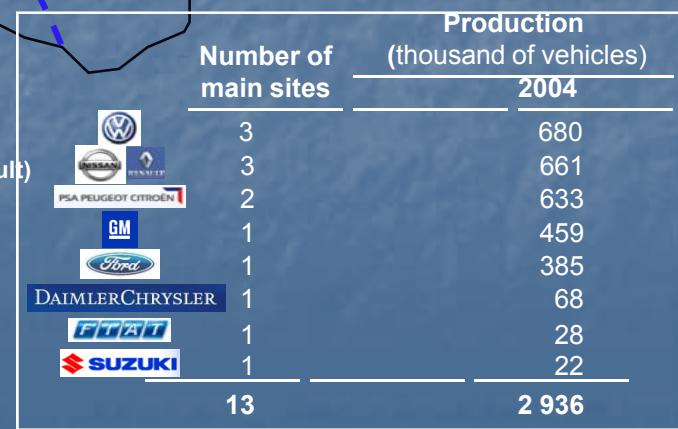
PORTUGAL



FRANCE



SPAIN



Automotive equipments

- Foreign investors have injected over 1 billions \$ into Morocco's automobile sector in the past five years
- The Following automotive parts manufacturers that have already invested in Morocco:
Dephi(USA), methode electronic(USA), Polydesign(USA), LearAutomotive(USA),,Matra/Pinifarina,OMR(Italy), Renault-PSA(France),Valeo(France),Sumitomo(japan),Yazaki(Japan),Sunviauto(Portugal),Treco(Portugal),



Aeronautics

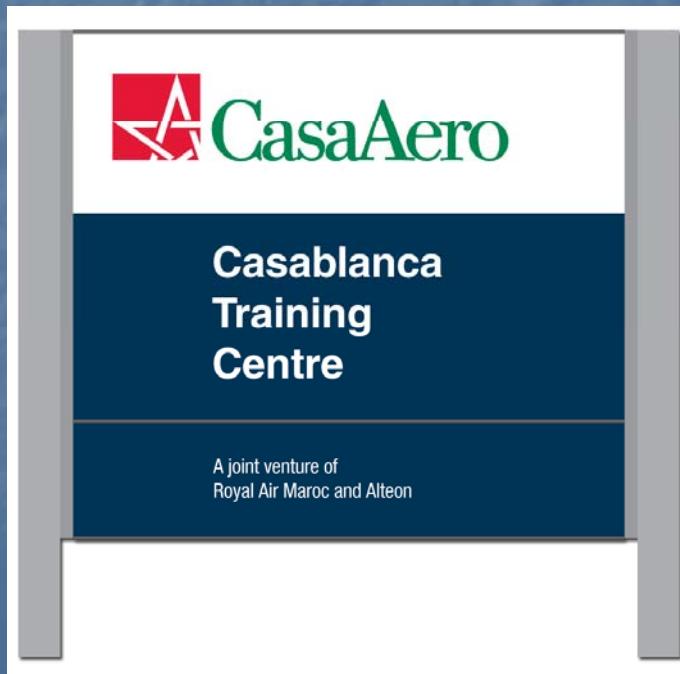
AN EMERGENT POLE

- In 1999, only 2 companies working in this sector
- In 2005, the sector reached a turnover of 120 million US\$: 3000 jobs, some 30 companies already established and a dozen on process
 - EADS
 - BOEING
 - SAFRAN
- Objectives by 2015 :
 - 500 million US\$ of exports
 - 15,000 jobs

Industrial Partnership

Created in 2005

Joint Venture between
RAM & Alteon, a Boeing
wholly owned subsidiary



Created in 2001

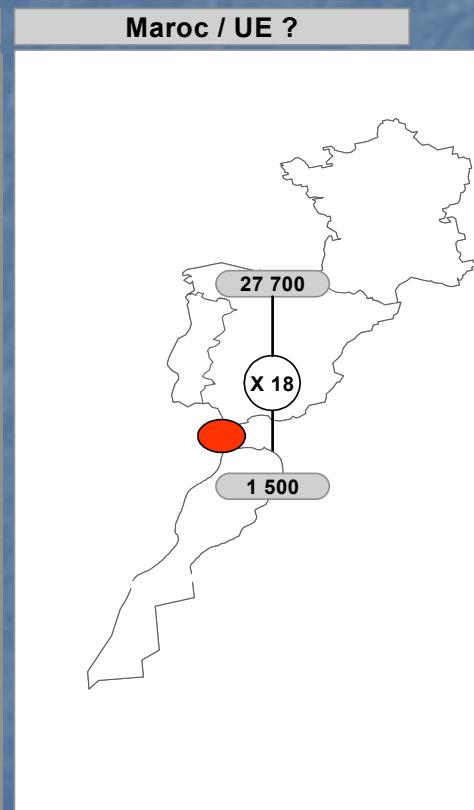
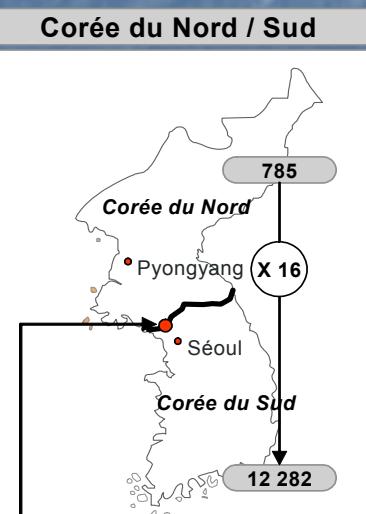
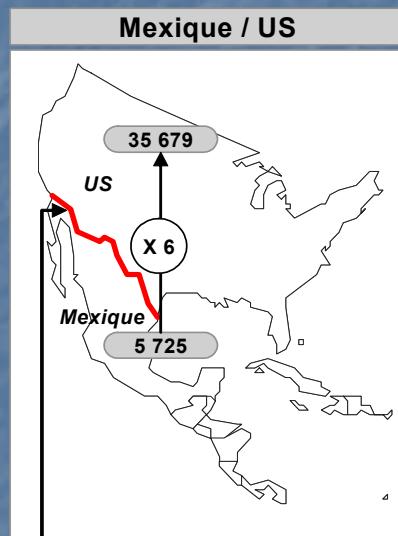
Joint Venture between RAM &
Boeing, and Labinal (Snecma)



MAQUILADORAS MEDITERRANEE 1/2

UN CONCEPT DE ZONE FRANCHE PARTICULIÈREMENT ADAPTÉ POUR LA SOUS-TRAITANCE EN ZONE FRONTALIÈRE

PIB/hab* – 2003 USD



Maquiladoras :

- 850 000 emplois créés en 10 ans (1992-2002)
- ~80 Mds USD d'export en 2002
- Décollage : adhésion à l'ALENA en 1994

Shenzhen Special Economic Zone :

- Plus de 1,5 Mio d'emplois créés en 20 ans
- 30 Mds USD d'exportation en 2003
- Décollage : ouverture en 1980

Kaesong "Industrial Complex" :

- Objectifs 2012 : 700 000 emplois créés / 4 000 entreprises
- Projet initié en 1998, construction lancée en 2003

* Année de référence pour calcul du PIB/hab : 2000

Opportunities : Emergence program

Mediterranean Maquiladoras		
Cars	Electro-nics	Others (aeronautics)

Mediterranean Maquiladoras



- *Tangier Automotive City*
- *Tangier Electronic City*
- *Nouacer Aeronautic Zone*



Opportunities : A structuring space

Important Projects	15 Billion US\$
✓ Tap Water (2004-2008)	2.36 Billion US\$
✓ Electric Energy (2004-2007)	1.9 Billion US\$
✓ Bouregreg Valley	1.8 Billion US\$
✓ Highways : 900 km in 2009	1.8 Billion US\$
✓ Tangier – Med Harbor (2004-2007)	2 Billion US\$
✓ Mediterranean Bypass 427 km in 2009	0.6 Billion US\$
✓ Industrial zones 4,000 acres in 2008	0.6 Billion US\$
✓ Railways (2005-2009)	1.8 Billion US\$
✓ Airports (2004-2008)	0.35 Billion US\$

A harmonious and integrated development

Azur Plan : the tourism pillar – 10 million tourists



Emergence : a strategy targeting exporting sectors (7 sectors)



Human resources development and citizen proximity (INDH)



Reinforcement of infrastructure / liberalization